

Approved \_\_\_\_\_

Date

3/3/89

MINUTES OF THE House COMMITTEE ON Taxation

The meeting was called to order by Representative Keith Roe

Chairperson

at

9:00 a.m./~~p.m.~~ on February 28, 1989 in room 519-S of the Capitol.

All members were present except:  
Representative Long, absent

Committee staff present:

Tom Severn, Research  
Chris Courtwright, Research  
Don Hayward, Revisor's Office  
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Chuck Stones - Kansas Bankers Association  
Terry Hamblin - Director of PVD  
Keith Farrar - Chairman, Board of Tax Appeals  
Bob Grant - KCCI  
Bob Gardner - Wyandotte County Appraiser

A motion was made by Representative Wagnon and seconded by Representative Harder to introduce a bill on registration of motor vehicles. The motion carried.

A motion was made by Representative Vancrum and seconded by Representative Spaniol to introduce a bill to open up to taxpayers certificate of value information. The motion carried.

A motion was made by Representative Crowell and seconded by Representative Fuller to introduce a bill on a substitute method of taxing merchandise in vending machines. The motion carried. (Attachment 1)

Chuck Stones testified in support of HB 2515 and stated that it would appear that the annual fiscal note for the program will run something less than \$250,000 of revenues lost to the State General Fund.  
(Attachment 2)

Ron Wilson, Executive Director of the Wichita District Farm Credit Council was not present, but had distributed written testimony in support of HB 2515. (Attachment 3)

Chairman Roe concluded the hearing on HB 2515.

Terry Hamblin testified on HB 2517, stating that passage of this bill would eliminate an obsolete statute.

Keith Farrar testified on HB 2517, stating that the Board has some concern about this statute being repealed and it may be advisable to keep these provisions intact. (Attachment 4)

Bob Grant testified stating that HB 2517 and HCR 5013 should be blended together.

Chairman Roe concluded the hearing on HB 2517.

Terry Hamblin testified on HB 2516, stating that this bill should solve a recent problem in Wyandotte County.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation,  
room 519-S, Statehouse, at 9:00 a.m. ~~PM~~ on February 28, 1989.

Bob Gardner testified in support of HB 2516, stating that this bill will help clear up the tax situs problems. (Attachment 5)

Chairman Roe concluded the hearing on HB 2516.

Representative Fuller presented amendments to HB 2032. (Attachment 6)

A motion was made by Representative Fuller and seconded by Representative Pottorff to amend HB 2032 as shown in by the balloon. (Attachment 6)

A substitute motion was made by Representative Vancrum and seconded by Representative Snowbarger to approve the balloon and amend it to use 50% in year one for establishment and operation and 30% for subsequent years. The substitute motion carried.

A motion was made by Representative Lowther and seconded by Representative Wagnon to add to HB 2032 the words "less any income or revenues collected during the taxable or fiscal year." The motion carried.

A motion was made by Representative Snowbarger and seconded by Representative Grotewiel to amend HB 2032 by deleting Section 1 (d). The motion failed.

A motion was made by Representative Snowbarger and seconded by Representative Grotewiel to amend HB 2032 to prorate the credit to taxpayers in the event more than \$3 million is claimed. The motion failed.

A motion was made by Representative Fuller and seconded by Representative Pottorff to pass HB 2032 as amended. The motion carried.

The minutes of February 27, 1989, were approved.

The meeting adjourned.



*Crowell  
intro of bill*

HOUSE BILL No. \_\_\_\_\_

New Section 1. As used in this act unless the context otherwise requires:

(a) "Person" means any individual, partnership, association, or corporation;

(b) "Music device" means any and all mechanical devices which render, cause to sound, release music where the same may be heard by one or more public patrons, and each separate loudspeaker, phonograph, juke box, or outlet from which such music emits shall each be construed to be a separate "music device" as herein defined; except in the case where the music emits from more than one speaker transmitting from the same music-producing mechanism, in which case the several outlets or speakers in each place of business shall be collectively considered one such music device;

(c) "Coin-operated music device" means any such music device which is operated, motivated, released, or played by or upon the payment or insertion of a coin, token or similar object, whether there is one or more boxes or devices in the premises for the reception of such coin, tokens, or similar objects; coin operated radio or television receiving sets in hotels, motels, or tourist cabins for the use and benefit of the guests and visitors of such hotels, motels, or tourist rooms or cabins shall be included in such definition;

(d) "Coin-operated amusement device" means any and all nongambling mechanical or electronic machines which, upon the payment or insertion of a coin, token, or similar object, provide music, amusement or entertainment, including, but not limited to, such games as pool, phonographs, video television, shooting galleries, pinball, foosball, bowling, shuffle board, or any other amusement device with or without a replay feature which can be legally shipped interstate according to federal law;

(e) "Coin-operated vending device" means any and all machines or devices which, upon the payment or insertion of a coin, token or similar object, dispenses tangible personal property, including but not limited to cigarettes, candies, gum, cold drinks, hot drinks, sandwiches, chips. It shall not mean vending machines or devices used exclusively for the purpose of selling services, such as pay telephone booths, parking meters, coin changer, gas and electric meters or other distribution of needful service;

(f) "Coin-operated bulk vending device" means a machine or device which, upon the payment or insertion of a coin, token or similar object dispenses to the purchaser ballpoint pens, combs,

*2/28/89 attachment 1*

cigarette lighters, prophylactics, filled capsules, peanuts, gum balls, mints, perfume or novelties, feminine hygiene; and

(g) "Coin-operated devices" means coin-operated music devices, coin-operated amusement devices, coin-operated vending devices and coin-operated bulk vending devices.

New Section 2. (a) Every person who operates and has available to any of the public for operation, or who permits to be operated in or on his place of business, coin-operated devices shall pay for such privilege an annual fee as follows:

(1) For each coin-operated music device or coin-operated amusement device, Fifty Dollars (\$50.00);

(2) For each coin-operated vending device requiring a coin or thing of value of twenty-five cents (\$0.25) or more, Fifty Dollars, except as applies to machines which sell newspapers;

(3) For each coin-operated vending device requiring a coin or thing of value of less than twenty-five cents (\$0.25) and newspapers, Five Dollars (\$5.00); and

(4) For each coin-operated bulk vending device, Two Dollars and fifty cents (\$2.50).

(b) The annual fee required by this section shall be in lieu of sales tax levied pursuant to K.S.A. 79.

(c) In those instances where it is shown to the satisfaction of the Department of Revenue that a coin-operated device, upon which an annual fee is imposed, will be placed available for use by the public for a definite by limited period of time less than one (1) year, such as where displayed in connection with fairs, carnivals, and places of amusement that operate only during certain seasons of the year, the Department of Revenue may issue a special decal therefor. Such special decal may be issued for any number of thirty-day periods less than a full year, and shall indicate that it is a special decal; and shall be for one or more thirty-day periods and shall state the precise dates for which issued and shall not be transferred from one machine to another. The fee shall be computed and paid on the basis of one-tenth (1/10) of the annual rate for the type of device operated, for each thirty-day period for which such special decal is issued. In the event the mechanical device is made available to the public for a period beyond that for which the special decal is issued, then a full year's fee and penalty, as wet out in Section \_\_\_\_ of this title, shall be due.

New Section 3. Any person operating a coin-operated device or operating the premises where the same is to be operated or exposed to the public, shall apply to the Department of Revenue

for a decal for such device and shall, at the same time, pay to the Department of Revenue the annual fee herein levied. The Department of Revenue shall, upon receipt of such payment and approval of such application, issue a decal for the type of coin-operated device covered by such application and payment. The decal and application provided for herein shall be prescribed by the Department of Revenue, and shall contain such information and description as shall be required by rule of said Department of Revenue. Any number of coin-operated devices may be included in one application. Before any coin-operated device is put in operation or placed where the same may be operated by any of the public, and at all times when the same is being operated or available to any of the public for operation, a decal shall be firmly affixed to the coin-operated device covered thereby, and plainly visible to and readable by the public.

New Section 4. For the purpose of the decal issued under Sections 2 and 3 et seq. of this Act, the fee year shall begin on the first day of January and end on the last day of following December; and shall be divided into two (2) halves. The Department of Revenue shall in each instance issue decals for the remainder of the fee year upon payment of the fee on the basis of the current and remaining half of such fee year. Any tangible personal property purchased for resale through a vending machine where fees have been paid and decals affixed, shall not be subject to sales tax.

New Section 5. Any operator of a coin-operated device who places such device in operation or in a place available to the public for operation, and any person who permits a coin-operated device to be in operation or accessible to the public for operation in his place of business, without decal affixed as required by Section 3 of this title, shall be liable for the fee on such device at the full annual rate as herein levied and shall be liable for a penalty, in addition to the amount of the fee, in the amount of One Hundred Dollars (\$100.00).

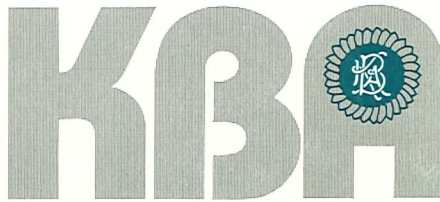
New Section 6. Where any coin-operated device as hereinbefore defined is placed on location, or, after having been placed on location is there left without the decal affixed thereon as herein provided, the device, including all cash in the receptacle thereof, shall be considered forfeited to the State of Kansas, and may be sealed until released by the Department of Revenue or seized by any authorized agent of the Department of Revenue, or any law enforcement office of this state, and upon so being seized shall, together with the cash, if any, contained in the receptacle of such device, forthwith, be delivered to the Department of Revenue. The Department of Revenue shall then proceed to hear and determine the matter of whether or not the device and cash, if any, should, in fact, be forfeited to the Department of Revenue. The operator of the device shall be given at least ten (10) days' notice of the date

of the hearing. In the event said Department of Revenue finds that the device including the cash contents, if any, should be forfeited to the Department of Revenue, it shall make an order forfeiting the same to the Department of Revenue, and directing the sale of such device. The device shall be sold in the county where seized after ten (10) days' notice, which notice shall be by posting five notices in conspicuous places in the county where the sale is to be made, one of which notices shall be posted on the bulletin board at the county courthouse of said county. The sale shall be for cash, and the proceeds thereof shall be applied as follows: (1) To the payment of the costs incident to the seizure and sale; (2) To the payment of any taxes, including penalties, that may have accrued against the device; and (3) the balance, if any, shall be remitted to the owner. The cash contained in any device and forfeited under the provisions of this section shall be forfeited as an additional tax penalty and shall be in addition to all other penalties provided for in Sections 5 and 7 of this Act. The order of the Department of Revenue, declaring a forfeiture of the device including the cash contents thereof, if any, and directing the sale of such device shall be a final order and may be appealed from as provided for in the Kansas Uniform Administrative Procedures Act. It shall be the duty of all law enforcement officers to cooperate with the Department of Revenue in the enforcement of the seizure and forfeiture provisions of this section.

New Section 7. Any person responsible for the operation of a coin-operated device accessible to the public for operation in his place of business, without attaching the decal herein provided for, shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine not exceeding Two Hundred Dollars (\$200.00) or by imprisonment in the county jail for a period not exceeding thirty (30) days or by both such fine and imprisonment.

New Section 8. The fee herein levied is the exclusive fee to be imposed by the state, and is in lieu of all taxes upon coin-operated devices, except ad valorem taxes and municipal license fees except as otherwise provided by Sections \_\_\_\_\_ of this Act. It is further provided that cities, municipalities and towns are authorized to levy a license or occupation tax upon coin-operated devices, or persons operating the same, or premises where same are located, in an amount not in excess of twenty percent (20%) of the tax fee hereby imposed.

New Section 9. This act shall take effect and be in force from and after its publication in the Kansas register.



The KANSAS BANKERS ASSOCIATION  
A Full Service Banking Association

February 20, 1989

TO: Senate Committee on Assessment and Taxation  
FROM: Charles Stones, Kansas Bankers Association  
RE: HB 2515 - Interest Rate Reduction on Agricultural Loans

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to discuss the provisions of HB 2515 with the Committee. The bill would extend for one more year the law which allows Kansas banks to receive a privilege tax credit for the amount of interest income lost when reducing the interest rate on certain classified agricultural loans. This law was first enacted by the 1986 Legislature and has been extended for one year in each subsequent session.

A survey conducted by the KBA during the summer following the enactment of the program indicated that over 60 banks planned to immediately use the provisions of the law to assist ag customers and another 55 banks stated they might use the program at some future date. The KBA has just completed an extensive analysis of the 1987 and 1988 privilege tax returns of over 430 Kansas banks (73% of all banks). 1988 was, of course, the first year in which banks could claim 20% of the credit allowed under the law. 61 of the banks whose returns were analyzed claimed credits totaling \$157,854. Thus it would appear that the annual fiscal note for the program will run something less than \$250,000 of revenues lost to the State General Fund.

It would appear that the state program was used in conjunction with FmHA interest rate buy-down and guaranty programs throughout the state. It may well have resulted in keeping a significant number of farmers in business who otherwise would not have been able to service a growing debt load. If this is the case then the relatively small number of participating banks should not be overly emphasized. The intent of the law from the outset was to assist farmers in maintaining their operations and that obviously happened in many instances.

Thus we see no reason why the program should not be continued. While the agricultural environment has improved significantly over the past two years there always looms the possibility of a downturn in the ag economy due to drought or other factors. To have such a program in place and ready to work is good insurance for the ag economy of this state. Therefore, we would urge the committee to recommend HB 2515 favorably.

*Charles A. Stones*

*2/28/89  
Attachment 2*



**Wichita District  
Farm Credit Council, Inc.**

245 North Waco  
P.O. Box 2940  
Wichita, Kansas 67201-2940

316/266-5540

805 Chisholm Trail  
P.O. Box 909  
Enid, Oklahoma 73701

4695 Franklin Street  
P.O. Box 16046  
Denver, Colorado 80216

3109 Carlisle, N.E.  
P.O. Box 37440  
Albuquerque, New Mexico 87176-7440

**TESTIMONY  
TO THE  
HOUSE TAXATION COMMITTEE  
ON  
HOUSE BILL 2515**

**February 28, 1989**

Mr. Chairman and members of the Committee, I am Ron Wilson, Executive Director of the Wichita District Farm Credit Council. The Council represents the farmer-owned associations and banks of the Farm Credit System in four states. Our headquarters is in Wichita, Kansas.

We support HB 2515 which would extend the interest buy-down program for certain farmers and ranchers to July 1, 1990. We strongly commend the Committee for introducing this legislation.

American agriculture is experiencing some recovery, compared to the deep distress of recent years. Yet some farmers and ranchers are still working their way through financial difficulty. Others are faced with unpredictable weather and crop conditions and an uncertain future. The interest reduction allowed by this legislation could be a useful tool in keeping our farmers operating.

We are especially grateful that HB 2515 would allow Production Credit Associations, or PCAs, to participate in the program just as the original legislation did in 1986. PCAs are farmer-owned, federally-regulated organizations which

*2/28/89  
attachment 3*

provide short - and intermediate - term loans to farmers and ranchers for agricultural production purposes. They make loans which are comparable to those offered by rural banks, for example. PCAs provide approximately \$ 140 Million in loans to farmers and ranchers in Kansas.

Due to federal legislation in 1987, there have been certain technical changes since 1986 which HB 2515 should reflect. Attached is a brief list of technical changes which would help HB 2515.

In summary, we commend you in the Legislature for your concern for Kansas agriculture. We hope you will accept these technical changes and approve HB 2515. Thank you for this opportunity to comment.

## SUGGESTED TECHNICAL ADJUSTMENTS TO HB 2515

- 1) Banking and Farm Credit regulators now use the same system for classifying loans. "Substandard" and "doubtful" are the terms now used for adverse loans made by both types of lending institutions. In lines 44 and 91, the terms "problem or vulnerable" can be deleted and necessary conforming changes made.
- 2) The Federal Agricultural Credit Act of 1987 allowed PCAs to become "agricultural credit associations" under certain circumstances. On lines 67-69, we suggest replacing the wording after the date as follows:

"any production credit association or agricultural credit association chartered by the farm credit administration under the federal farm credit act as amended, (12 U.S.C. 20001 et seq), which ...."

Necessary conforming changes would be needed where such associations are referenced throughout the section.

- 3) On line 73, strike the words "its best". These words are unnecessary. The bill already refers to equivalent collateral. This change would enhance the use of the legislation.

THE STATE OF KANSAS



BOARD OF TAX APPEALS

Keith Farrar, Chairman

Docking State Office Building, 10th Floor  
Topeka, Kansas 66612-1582  
AC-913 296-2388

Fred L. Weaver, Member  
Victor M. Elliott, Member  
Conrad Miller, Jr., Member  
Charles F. Laird, Member

MEMORANDUM

To: Rep. Keith Roe, Chairman, House Taxation Committee

From: Keith Farrar, Chairman, Board of Tax Appeals

KF

Date: February 28, 1989

Re: H.B. No. 2517

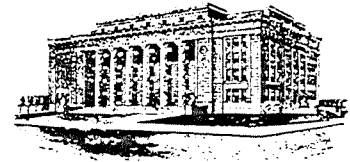
H. B. No. 2517 repeals K.S.A. 1988 Supp. 79-201f. The Board has some concern about this statute being repealed. While it would appear that it is no longer needed because of the merchant's and manufacturer's inventory exemption, it may be advisable to keep these provisions intact.

K.S.A. 1988 Supp. 79-201f(a) provides for an exemption of property moving in interstate commerce. Subsections (b) and (c) provide for the freeport exemption. Virtually all property exempted under subsections (b) and (c) is inventory that will be exempt under the constitution; however, there are some types of property that is not inventory that would qualify for the freeport exemption, e.g. non-inventory goods such as boats owned by individuals which are stored in a warehouse for less than five years. Furthermore, the Board still receives applications for the freeport exemption for prior years. The Board could continue to grant exemptions on the basis that the applicant qualified under the law as then in effect.

There does not appear to be any significant reason to repeal this provision at this time, and retaining K.S.A. 1988 Supp. 79-201f avoids any potential problems.

2/28/89  
Attachment 4

OFFICE OF  
**ROBERT C. GARDNER CAE**  
COUNTY APPRAISER  
913/573-2889



WYANDOTTE COUNTY COURTHOUSE  
KANSAS CITY, KANSAS 66101

February 27, 1989

House Assessment and Taxation Committee

Dear Committee Members:

I would like to thank the Committee for this opportunity to voice my support for House Bill 2516. I have a video of a news story by Channel 4 of Kansas City that relates to a recent problem that Wyandotte County is having regarding tax situs of Personal Property. With your approval I would like to show this video at this time.

Wyandotte County has taken the position that the property located at the site in middle December and returned January 4 has tax situs in Wyandotte County. I have sent the Construction Company a 1989 Property Rendition with a letter requesting all this equipment be listed for 1989 taxes in Wyandotte County. A listing of equipment observed by office is attached. The Company has until April 1, 1989 to return the listing.

Wyandotte County is supporting its position in this case by K.S.A. 79-304 last paragraph.

"Personal Property in transit shall be listed in the Taxing District where the owner resides except that if such property is intended for a particular business, it shall be listed at the place where the business is to be transacted."

I think House Bill 2516 will help clear up the tax situs problems similar to the one just discussed.

Should you have any questions I will be happy to respond.

Respectfully Submitted,

*Robert C. Gardner*  
Robert C. Gardner, CAE, MAI  
County Appraiser

RCG/ah

*2/28/89  
Attachment 5*

reational or display purposes, or any combination thereof. The term "antique aircraft" means all aircraft 30 years or older as determined by the date of manufacture.

The provisions of this section shall apply to all taxable years commencing after December 31, 1986.

History: L. 1987, ch. 363, § 1; L. 1987, ch. 367, § 1; July 1.

### 79-221 to 79-249. Reserved.

#### PROPERTY EXEMPT FROM TAXATION BY COUNTIES AND CITIES

**79-250.** Poultry, rabbit and swine confinement facilities not allowed to be exempt from ad valorem taxation. No city or county may grant any exemption from ad valorem taxation under section 13 of article 11 of the Constitution of the state of Kansas for all or any portion of the appraised valuation of all or any part of the buildings, improvements, tangible personal property and land of any poultry confinement facility, rabbit confinement facility or swine confinement facility which is on agricultural land and which is owned or operated by a corporation. As used in this section, "corporation," "agricultural land," "poultry confinement facility," "rabbit confinement facility" and "swine confinement facility" have the meanings respectively ascribed thereto by K.S.A. 17-5903, and amendments thereto.

History: L. 1987, ch. 368, § 3; L. 1988, ch. 99, § 57; April 21.

#### Article 3.—LISTING PROPERTY FOR TAXATION

### 79-301.

#### Attorney General's Opinions:

Tangible personal property of bank is not exempt from taxation. 87-32.

#### CASE ANNOTATIONS

17. Where owner at time of assessment was not seller, 79-2109 and 79-2110 inapplicable. *Palmer v. First Nat'l Bank of Kingman*, 10 K.A.2d 84, 87, 692 P.2d 386 (1984).

18. Cited; computer software operational programs held taxable as tangible personal property; application programs held intangible property not subject thereto. In re *Tax Protest of Strayer*, 239 K. 136, 142, 143, 716 P.2d 588 (1986).

### 79-303.

#### CASE ANNOTATIONS

8. Cited; computer software operational programs held taxable as tangible personal property; application programs held intangible property not subject thereto. In re *Tax*

*Protest of Strayer*, 239 K. 136, 142, 143, 716 P.2d 588 (1986).

**79-304.** Place of listing of certain property for taxation purposes. Every person required to list property on behalf of others shall list such property in the taxing districts in which the property is located and such person shall list such property separate and apart from such person's own property, specifying the name of the person, estate, company or corporation to which the same may belong.

All tangible personal property stationed, located, or stored on any municipal airport or airfield shall be listed and taxed in the township, school district, city or taxing district in which the owner resides, but if the owner is a nonresident of this state or of the county in which such tangible personal property is located, then such property shall be listed and taxed in the same township, school district, city, or taxing district in which the property is located. All personal property shall be listed and taxed each year in the taxing district in which the property was located on the first day of January, but all moneys and credits not pertaining to a business located shall be listed in township or city and school district in which the owner resided on the first day of January, except that, a motor vehicle which is being used by and is in the possession of a student who is attending a university or college and which is owned by such student or by another person shall be listed and taxed in the township, school district, city or taxing district in which the owner of the motor vehicle resided on the first day of January.

The property of banks, bankers, brokers, merchants, and of insurance or other companies, except of mutual fire insurance companies, shall be listed and taxed in the taxing district where their business is usually done, and manufactories and mines in the taxing district where the manufactories or mines are located.

Personal property in transit shall be listed in the taxing district where the owner resides except that, if such property is intended for a particular business, it shall be listed at the place where the business is to be transacted.

History: L. 1881, ch. 34, § 1; L. 1919, ch. 302, § 1; R.S. 1923, 79-304; L. 1927, ch. 322, § 1; L. 1935, ch. 299, § 1; L. 1947, ch. 442, § 1; L. 1955, ch. 397, § 1; L. 1959, ch. 365, § 1; L. 1963, ch. 456, § 7; L. 1965, ch. 512,

§ 1; L. 1975, ch. 495, § 22; L. 1988, ch. 375, § 4; Jan. 1, 1989.

#### Attorney General's Opinions:

Situs of personal property in transit. 85-182.

Tangible personal property of bank is not exempt from taxation. 87-32.

#### CASE ANNOTATIONS

22. Cited; computer software operational programs held taxable as tangible personal property; application programs held intangible property not subject thereto. In re *Tax Protest of Strayer*, 239 K. 136, 142, 143, 716 P.2d 588 (1986).

**79-306.** Listing of tangible personal property for taxation; time of filing. On or before March 1 of each year, or the next following business day if such date falls on a day other than a regular business day, every person, except a corporation, domestic or foreign, in which case the filing date shall be on or before April 1, or the next following business day if such date falls on a day other than a regular business day, required by this act to list property shall make and sign a statement listing all tangible personal property which by this act such person is required to list, either as the owner thereof, or as parent, guardian, trustee, executor, administrator, receiver, accounting officer, partner or agent, as the case may be, and deliver the same to the county appraiser of the county where such property has its situs for the purpose of taxation.

History: L. 1876, ch. 34, § 9; L. 1909, ch. 243, § 1; R.S. 1923, 79-306; L. 1957, ch. 488, § 1; L. 1965, ch. 511, § 3; L. 1968, ch. 95, § 1; L. 1972, ch. 355, § 1; L. 1988, ch. 375, § 5; Jan. 1, 1989.

#### Law Review and Bar Journal References:

"Survey of Kansas Law: Taxation," Sandra Craig McKenzie and Virginia Ratzlaff, 33 K.L.R. 71, 75 (1984).

#### Attorney General's Opinions:

Taxation of royalty interest on oil and gas lease; sale of interest after assessment and before payment of tax. 87-20.

#### CASE ANNOTATIONS

18. Validity of deed to mineral interest subject to tax sale; rule against doctrine of laches in void judgments not absolute. *Ford v. Willits*, 237 K. 13, 14, 15, 697 P.2d 834 (1985).

19. Cited; computer software operational programs held taxable as tangible personal property; application programs held intangible property not subject thereto. In re *Tax Protest of Strayer*, 239 K. 136, 142, 143, 716 P.2d 588 (1986).

### 79-306a.

History: L. 1965, ch. 511, § 3; L. 1965, ch. 512, § 7; L. 1965, ch. 513, § 1; L. 1965, ch. 514, § 1; L. 1965, ch. 515, § 1; L. 1965, ch. 516, § 1; L. 1965, ch. 517, § 1; L. 1965, ch. 518, § 1; L. 1965, ch. 519, § 1; L. 1965, ch. 520, § 1; L. 1965, ch. 521, § 1; L. 1965, ch. 522, § 1; L. 1965, ch. 523, § 1; L. 1965, ch. 524, § 1; L. 1965, ch. 525, § 1; L. 1965, ch. 526, § 1; L. 1965, ch. 527, § 1; L. 1965, ch. 528, § 1; L. 1965, ch. 529, § 1; L. 1965, ch. 530, § 1; L. 1965, ch. 531, § 1; L. 1965, ch. 532, § 1; L. 1965, ch. 533, § 1; L. 1965, ch. 534, § 1; L. 1965, ch. 535, § 1; L. 1965, ch. 536, § 1; L. 1965, ch. 537, § 1; L. 1965, ch. 538, § 1; L. 1965, ch. 539, § 1; L. 1965, ch. 540, § 1; L. 1965, ch. 541, § 1; L. 1965, ch. 542, § 1; L. 1965, ch. 543, § 1; L. 1965, ch. 544, § 1; L. 1965, ch. 545, § 1; L. 1965, ch. 546, § 1; L. 1965, ch. 547, § 1; L. 1965, ch. 548, § 1; L. 1965, ch. 549, § 1; L. 1965, ch. 550, § 1; L. 1965, ch. 551, § 1; L. 1965, ch. 552, § 1; L. 1965, ch. 553, § 1; L. 1965, ch. 554, § 1; L. 1965, ch. 555, § 1; L. 1965, ch. 556, § 1; L. 1965, ch. 557, § 1; L. 1965, ch. 558, § 1; L. 1965, ch. 559, § 1; L. 1965, ch. 560, § 1; L. 1965, ch. 561, § 1; L. 1965, ch. 562, § 1; L. 1965, ch. 563, § 1; L. 1965, ch. 564, § 1; L. 1965, ch. 565, § 1; L. 1965, ch. 566, § 1; L. 1965, ch. 567, § 1; L. 1965, ch. 568, § 1; L. 1965, ch. 569, § 1; L. 1965, ch. 570, § 1; L. 1965, ch. 571, § 1; L. 1965, ch. 572, § 1; L. 1965, ch. 573, § 1; L. 1965, ch. 574, § 1; L. 1965, ch. 575, § 1; L. 1965, ch. 576, § 1; L. 1965, ch. 577, § 1; L. 1965, ch. 578, § 1; L. 1965, ch. 579, § 1; L. 1965, ch. 580, § 1; L. 1965, ch. 581, § 1; L. 1965, ch. 582, § 1; L. 1965, ch. 583, § 1; L. 1965, ch. 584, § 1; L. 1965, ch. 585, § 1; L. 1965, ch. 586, § 1; L. 1965, ch. 587, § 1; L. 1965, ch. 588, § 1; L. 1965, ch. 589, § 1; L. 1965, ch. 590, § 1; L. 1965, ch. 591, § 1; L. 1965, ch. 592, § 1; L. 1965, ch. 593, § 1; L. 1965, ch. 594, § 1; L. 1965, ch. 595, § 1; L. 1965, ch. 596, § 1; L. 1965, ch. 597, § 1; L. 1965, ch. 598, § 1; L. 1965, ch. 599, § 1; L. 1965, ch. 600, § 1; L. 1965, ch. 601, § 1; L. 1965, ch. 602, § 1; L. 1965, ch. 603, § 1; L. 1965, ch. 604, § 1; L. 1965, ch. 605, § 1; L. 1965, ch. 606, § 1; L. 1965, ch. 607, § 1; L. 1965, ch. 608, § 1; L. 1965, ch. 609, § 1; L. 1965, ch. 610, § 1; L. 1965, ch. 611, § 1; L. 1965, ch. 612, § 1; L. 1965, ch. 613, § 1; L. 1965, ch. 614, § 1; L. 1965, ch. 615, § 1; L. 1965, ch. 616, § 1; L. 1965, ch. 617, § 1; L. 1965, ch. 618, § 1; L. 1965, ch. 619, § 1; L. 1965, ch. 620, § 1; L. 1965, ch. 621, § 1; L. 1965, ch. 622, § 1; L. 1965, ch. 623, § 1; L. 1965, ch. 624, § 1; L. 1965, ch. 625, § 1; L. 1965, ch. 626, § 1; L. 1965, ch. 627, § 1; L. 1965, ch. 628, § 1; L. 1965, ch. 629, § 1; L. 1965, ch. 630, § 1; L. 1965, ch. 631, § 1; L. 1965, ch. 632, § 1; L. 1965, ch. 633, § 1; L. 1965, ch. 634, § 1; L. 1965, ch. 635, § 1; L. 1965, ch. 636, § 1; L. 1965, ch. 637, § 1; L. 1965, ch. 638, § 1; L. 1965, ch. 639, § 1; L. 1965, ch. 640, § 1; L. 1965, ch. 641, § 1; L. 1965, ch. 642, § 1; L. 1965, ch. 643, § 1; L. 1965, ch. 644, § 1; L. 1965, ch. 645, § 1; L. 1965, ch. 646, § 1; L. 1965, ch. 647, § 1; L. 1965, ch. 648, § 1; L. 1965, ch. 649, § 1; L. 1965, ch. 650, § 1; L. 1965, ch. 651, § 1; L. 1965, ch. 652, § 1; L. 1965, ch. 653, § 1; L. 1965, ch. 654, § 1; L. 1965, ch. 655, § 1; L. 1965, ch. 656, § 1; L. 1965, ch. 657, § 1; L. 1965, ch. 658, § 1; L. 1965, ch. 659, § 1; L. 1965, ch. 660, § 1; L. 1965, ch. 661, § 1; L. 1965, ch. 662, § 1; L. 1965, ch. 663, § 1; L. 1965, ch. 664, § 1; L. 1965, ch. 665, § 1; L. 1965, ch. 666, § 1; L. 1965, ch. 667, § 1; L. 1965, ch. 668, § 1; L. 1965, ch. 669, § 1; L. 1965, ch. 670, § 1; L. 1965, ch. 671, § 1; L. 1965, ch. 672, § 1; L. 1965, ch. 673, § 1; L. 1965, ch. 674, § 1; L. 1965, ch. 675, § 1; L. 1965, ch. 676, § 1; L. 1965, ch. 677, § 1; L. 1965, ch. 678, § 1; L. 1965, ch. 679, § 1; L. 1965, ch. 680, § 1; L. 1965, ch. 681, § 1; L. 1965, ch. 682, § 1; L. 1965, ch. 683, § 1; L. 1965, ch. 684, § 1; L. 1965, ch. 685, § 1; L. 1965, ch. 686, § 1; L. 1965, ch. 687, § 1; L. 1965, ch. 688, § 1; L. 1965, ch. 689, § 1; L. 1965, ch. 690, § 1; L. 1965, ch. 691, § 1; L. 1965, ch. 692, § 1; L. 1965, ch. 693, § 1; L. 1965, ch. 694, § 1; L. 1965, ch. 695, § 1; L. 1965, ch. 696, § 1; L. 1965, ch. 697, § 1; L. 1965, ch. 698, § 1; L. 1965, ch. 699, § 1; L. 1965, ch. 700, § 1; L. 1965, ch. 701, § 1; L. 1965, ch. 702, § 1; L. 1965, ch. 703, § 1; L. 1965, ch. 704, § 1; L. 1965, ch. 705, § 1; L. 1965, ch. 706, § 1; L. 1965, ch. 707, § 1; L. 1965, ch. 708, § 1; L. 1965, ch. 709, § 1; L. 1965, ch. 710, § 1; L. 1965, ch. 711, § 1; L. 1965, ch. 712, § 1; L. 1965, ch. 713, § 1; L. 1965, ch. 714, § 1; L. 1965, ch. 715, § 1; L. 1965, ch. 716, § 1; L. 1965, ch. 717, § 1; L. 1965, ch. 718, § 1; L. 1965, ch. 719, § 1; L. 1965, ch. 720, § 1; L. 1965, ch. 721, § 1; L. 1965, ch. 722, § 1; L. 1965, ch. 723, § 1; L. 1965, ch. 724, § 1; L. 1965, ch. 725, § 1; L. 1965, ch. 726, § 1; L. 1965, ch. 727, § 1; L. 1965, ch. 728, § 1; L. 1965, ch. 729, § 1; L. 1965, ch. 730, § 1; L. 1965, ch. 731, § 1; L. 1965, ch. 732, § 1; L. 1965, ch. 733, § 1; L. 1965, ch. 734, § 1; L. 1965, ch. 735, § 1; L. 1965, ch. 736, § 1; L. 1965, ch. 737, § 1; L. 1965, ch. 738, § 1; L. 1965, ch. 739, § 1; L. 1965, ch. 740, § 1; L. 1965, ch. 741, § 1; L. 1965, ch. 742, § 1; L. 1965, ch. 743, § 1; L. 1965, ch. 744, § 1; L. 1965, ch. 745, § 1; L. 1965, ch. 746, § 1; L. 1965, ch. 747, § 1; L. 1965, ch. 748, § 1; L. 1965, ch. 749, § 1; L. 1965, ch. 750, § 1; L. 1965, ch. 751, § 1; L. 1965, ch. 752, § 1; L. 1965, ch. 753, § 1; L. 1965, ch. 754, § 1; L. 1965, ch. 755, § 1; L. 1965, ch. 756, § 1; L. 1965, ch. 757, § 1; L. 1965, ch. 758, § 1; L. 1965, ch. 759, § 1; L. 1965, ch. 760, § 1; L. 1965, ch. 761, § 1; L. 1965, ch. 762, § 1; L. 1965, ch. 763, § 1; L. 1965, ch. 764, § 1; L. 1965, ch. 765, § 1; L. 1965, ch. 766, § 1; L. 1965, ch. 767, § 1; L. 1965, ch. 768, § 1; L. 1965, ch. 769, § 1; L. 1965, ch. 770, § 1; L. 1965, ch. 771, § 1; L. 1965, ch. 772, § 1; L. 1965, ch. 773, § 1; L. 1965, ch. 774, § 1; L. 1965, ch. 775, § 1; L. 1965, ch. 776, § 1; L. 1965, ch. 777, § 1; L. 1965, ch. 778, § 1; L. 1965, ch. 779, § 1; L. 1965, ch. 780, § 1; L. 1965, ch. 781, § 1; L. 1965, ch. 782, § 1; L. 1965, ch. 783, § 1; L. 1965, ch. 784, § 1; L. 1965, ch. 785, § 1; L. 1965, ch. 786, § 1; L. 1965, ch. 787, § 1; L. 1965, ch. 788, § 1; L. 1965, ch. 789, § 1; L. 1965, ch. 790, § 1; L. 1965, ch. 791, § 1; L. 1965, ch. 792, § 1; L. 1965, ch. 793, § 1; L. 1965, ch. 794, § 1; L. 1965, ch. 795, § 1; L. 1965, ch. 796, § 1; L. 1965, ch. 797, § 1; L. 1965, ch. 798, § 1; L. 1965, ch. 799, § 1; L. 1965, ch. 800, § 1; L. 1965, ch. 801, § 1; L. 1965, ch. 802, § 1; L. 1965, ch. 803, § 1; L. 1965, ch. 804, § 1; L. 1965, ch. 805, § 1; L. 1965, ch. 806, § 1; L. 1965, ch. 807, § 1; L. 1965, ch. 808, § 1; L. 1965, ch. 809, § 1; L. 1965, ch. 810, § 1; L. 1965, ch. 811, § 1; L. 1965, ch. 812, § 1; L. 1965, ch. 813, § 1; L. 1965, ch. 814, § 1; L. 1965, ch. 815, § 1; L. 1965, ch. 816, § 1; L. 1965, ch. 817, § 1; L. 1965, ch. 818, § 1; L. 1965, ch. 819, § 1; L. 1965, ch. 820, § 1; L. 1965, ch. 821, § 1; L. 1965, ch. 822, § 1; L. 1965, ch. 823, § 1; L. 1965, ch. 824, § 1; L. 1965, ch. 825, § 1; L. 1965, ch. 826, § 1; L. 1965, ch. 827, § 1; L. 1965, ch. 828, § 1; L. 1965, ch. 829, § 1; L. 1965, ch. 830, § 1; L. 1965, ch. 831, § 1; L. 1965, ch. 832, § 1; L. 1965, ch. 833, § 1; L. 1965, ch. 834, § 1; L. 1965, ch. 835, § 1; L. 1965, ch. 836, § 1; L. 1965, ch. 837, § 1; L. 1965, ch. 838, § 1; L. 1965, ch. 839, § 1; L. 1965, ch. 840, § 1; L. 1965, ch. 841, § 1; L. 1965, ch. 842, § 1; L. 1965, ch. 843, § 1; L. 1965, ch. 844, § 1; L. 1965, ch. 845, § 1; L. 1965, ch. 846, § 1; L. 1965, ch. 847, § 1; L. 1965, ch. 848, § 1; L. 1965, ch. 849, § 1; L. 1965, ch. 850, § 1; L. 1965, ch. 851, § 1; L. 1965, ch. 852, § 1; L. 1965, ch. 853, § 1; L. 1965, ch. 854, § 1; L. 1965, ch. 855, § 1; L. 1965, ch. 856, § 1; L. 1965, ch. 857, § 1; L. 1965, ch. 858, § 1; L. 1965, ch. 859, § 1; L. 1965, ch. 860, § 1; L. 1965, ch. 861, § 1; L. 1965, ch. 862, § 1; L. 1965, ch. 863, § 1; L. 1965, ch. 864, § 1; L. 1965, ch. 865, § 1; L. 1965, ch. 866, § 1; L. 1965, ch. 867, § 1; L. 1965, ch. 868, § 1; L. 1965, ch. 869, § 1; L. 1965, ch. 870, § 1; L. 1965, ch. 871, § 1; L. 1965, ch. 872, § 1; L. 1965, ch. 873, § 1; L. 1965, ch. 874, § 1; L. 1965, ch. 875, § 1; L. 1965, ch. 876, § 1; L. 1965, ch. 877, § 1; L. 1965, ch. 878, § 1; L. 1965, ch. 879, § 1; L. 1965, ch. 880, § 1; L. 1965, ch. 881, § 1; L. 1965, ch. 882, § 1; L. 1965, ch. 883, § 1; L. 1965, ch. 884, § 1; L. 1965, ch. 885, § 1; L. 1965, ch. 886, § 1; L. 1965, ch. 887, § 1; L. 1965, ch. 888, § 1; L. 1965, ch. 889, § 1; L. 1965, ch. 890, § 1; L. 1965, ch. 891, § 1; L. 1965, ch. 892, § 1; L. 1965, ch. 893, § 1; L. 1965, ch. 894, § 1; L. 1965, ch. 895, § 1; L. 1965, ch. 896, § 1; L. 1965, ch. 897, § 1; L. 1965, ch. 898, § 1; L. 1965, ch. 899, § 1; L. 1965, ch. 900, § 1; L. 1965, ch. 901, § 1; L. 1965, ch. 902, § 1; L. 1965, ch. 903, § 1; L. 1965, ch. 904, § 1; L. 1965, ch. 905, § 1; L. 1965, ch. 906, § 1; L. 1965, ch. 907, § 1; L. 1965, ch. 908, § 1; L. 1965, ch. 909, § 1; L. 1965, ch. 910, § 1; L. 1965, ch. 911, § 1; L. 1965, ch. 912, § 1; L. 1965, ch. 913, § 1; L. 1965, ch. 914, § 1; L. 1965, ch. 915, § 1; L. 1965, ch. 916, § 1; L. 1965, ch. 917, § 1; L. 1965, ch. 918, § 1; L. 1965, ch. 919, § 1; L. 1965, ch. 920, § 1; L. 1965, ch. 921, § 1; L. 1965, ch. 922, § 1; L. 1965, ch. 923, § 1; L. 1965, ch. 924, § 1; L. 1965, ch. 925, § 1; L. 1965, ch. 926, § 1; L. 1965, ch. 927, § 1; L. 1965, ch. 928, § 1; L. 1965, ch. 929, § 1; L. 1965, ch. 930, § 1; L. 1965, ch. 931, § 1; L. 1965, ch. 932, § 1; L. 1965, ch. 933, § 1; L. 1965, ch. 934, § 1; L. 1965, ch. 935, § 1; L. 1965, ch. 936, § 1; L. 1965, ch. 937, § 1; L. 1965, ch. 938, § 1; L. 1965, ch. 939, § 1; L. 1965, ch. 940, § 1; L. 1965, ch. 941, § 1; L. 1965, ch. 942, § 1; L. 1965, ch. 943, § 1; L. 1965, ch. 944, § 1; L. 1965, ch. 945, § 1; L. 1965, ch. 946, § 1; L. 1965, ch. 947, § 1; L. 1965, ch. 948, § 1; L. 1965, ch. 949, § 1; L. 1965, ch. 950, § 1; L. 1965, ch. 951, § 1; L. 1965, ch. 952, § 1; L. 1965, ch. 953, § 1; L. 1965, ch. 954, § 1; L. 1965, ch. 955, § 1; L. 1965, ch. 956, § 1; L. 1965, ch. 957, § 1; L. 1965, ch. 958, § 1; L. 1965, ch. 959, § 1; L. 1965, ch. 960, § 1; L. 1965, ch. 961, § 1; L. 1965, ch. 962, § 1; L. 1965, ch. 963, § 1; L. 1965, ch. 964, § 1; L. 1965, ch. 965, § 1; L. 1965, ch. 966, § 1; L. 1965, ch. 967, § 1; L. 1965, ch. 968, § 1; L. 1965, ch. 969, § 1; L. 1965, ch. 970, § 1; L. 1965, ch. 971, § 1; L. 1965, ch.

January 6, 1989

To: Robert Gardner  
From: Sam Daniels  
Subject: Damon Pursell Equipment

The Listing of equipment at the race track site and respective dates is as follows:

December 28, 1988:

Compactor - Rayco - Ram #65  
Compactor - Rayco - Ram #45  
Two (2) T S 18 Terex Motor Scrapers  
Three (3) CAT - 627 Motor Scrapers  
Three (3) DJB off D275 Highway Dump Trucks 27½ Ton\*  
Koehring 1066-B Track Crawler Crane  
1000 gallon Gas Tank on Wheels  
1500 gallon Gas Tank on Wheels  
Tanker Gas Truck  
Grisham Bush Burner

\*Note: On December 27, 1988 there were six (6) of this description on this site.

The following listing of equipment was observed on January 4, 1989:

Six (6) Off Highway Dump Trucks D275  
Six (6) CAT Motor Scrapers - Earth Movers  
Tractor For Sheepfoot Company #538  
CAT D-9-H Crawler Dozier Company #492  
CAT D-9-H Crawler Dozier Company #491  
CAT D-8-K Crawler Dozier Company #489  
Two (2) Massey Ferguson 4840 Sheepfoot Tractors  
Conmaco D-700A Motor Scraper Earthmover  
Bowmag B.W. 172 P.D.B. Compactor  
Komatsu Crawler Dozier  
CAT 936 Crawler Lohrer  
J. Deere 862 Motor Scrapers Earthmover  
Four (4) Terex T.S. 24 B. Motor Scrapers Earthmover  
Three (3) Terex T.S. 18 Motor Scrapers Earthmover  
Maxie Lite Company #606  
Ram Rayco Company #573  
Steiger Cougar II Company #539  
CAT 627 Motor Scraper Earthmover

HOUSE BILL No. 2032

By Committee on Taxation

1-12

Handwritten notes: 6/21/89, 6/21/89, 6/21/89

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and privilege

AN ACT relating to income taxation; allowing credits therefrom for child day care assistance provided by certain employers.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) Any taxpayer that pays for or provides child day care services to its employees or that provides facilities and necessary equipment for child day care services shall be allowed a credit against the tax imposed by articles 11 and 32 of chapter 79 of the Kansas Statutes Annotated as follows:

privilege  
of chapter 79  
article

(1) Thirty percent of the total amount expended in the state during the taxable year by a taxpayer for child day care services purchased to provide care for the dependent children of the taxpayer's employees;

the income tax imposed by article

fifty

(2) [thirty] percent of the total amount expended during the taxable year by a taxpayer in the establishment or operation of a child day care center in the state used [exclusively] by the dependent children of the taxpayer's employees;

facility providing  
services  
primarily

fifty

(3) [thirty] percent of the total amount expended during the taxable year by a taxpayer in conjunction with one or more other taxpayers for the establishment or operation of a child day care center in the state used [exclusively] by the dependent children of the taxpayers' employees.

facility providing  
services  
primarily

(b) No credit shall be allowed under this section unless the child day care center is licensed or registered pursuant to Kansas law.

facility or provider  
paragraph (1) of subsection (a)

(c) The credit allowed by this section shall not exceed \$30,000 for any taxpayer during any taxable year. The amount of the credit which exceeds the tax liability for a taxable year shall be refunded to the taxpayer. If the taxpayer is a corporation having an election in effect under subchapter S of the federal internal revenue code or

The credit allowed by paragraphs 2 or 3 of subsection (a) shall not exceed \$45,000 for any taxpayer during any taxable year.



6-2

43 a partnership, the credit provided by this section shall be claimed  
44 by the shareholders of such corporation or the partners of such  
45 partnership in the same manner as such shareholders or partners  
46 account for their proportionate shares of the income or loss of the  
47 corporation or partnership.

48 (d) The aggregate amount of credits claimed under this act for  
49 any taxable year shall not exceed \$3,000,000. - *first come - first served* fiscal

50 Sec. 2. The provisions of this act shall apply to all taxable years  
51 commencing after December 31, 1988, and shall expire on January  
52 1, 1993.

53 Sec. 3. This act shall take effect and be in force from and after  
54 its publication in the statute book.